



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Sterling Bakery, Inc.

File: B-232469

Date: September 16, 1988

DIGEST

General Accounting Office will not review an agency's decision to perform services in-house, a matter of executive policy which is not within GAO's bid protest function, when an agency has not issued a competitive solicitation for cost comparison purposes under Office of Management and Budget Circular No. A-76.

DECISION

Sterling Bakery, Inc., protests a decision by the Defense Logistics Agency (DLA) to produce bread and bakery products for delivery to various Air Force bases in-house. Sterling contends that in deciding to produce the bakery products in-house, rather than by purchasing them from a private company, the agency acted improperly in not conducting a cost comparison in accordance with Office of Management and Budget (OMB) Circular No. A-76, which sets forth the executive branch's policy for determining whether to perform services in-house or under contract. In addition, Sterling, has requested that the cost comparison be performed in accordance with the requirements of Federal Acquisition Regulations (FAR) § 7.300 (FAC 84-37).

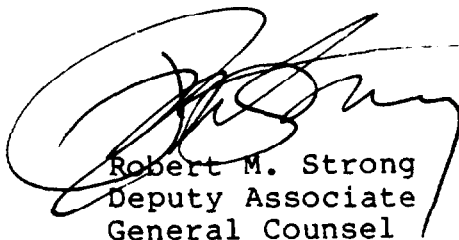
We dismiss the protest.

We will not review the Air Forces's determination to produce the goods in-house rather than continuing to purchase them under contract. We regard such decisions as matters of executive branch policy, and will review them only where a competitive solicitation for cost comparison purposes has been issued. W. B. & A., Inc., B-229926.3, May 19, 1988, 88-1 CPD ¶ 475. Since no competitive solicitation has been issued here for purposes of performing a cost comparison under OMB Circular A-76, the Air Force's determination to

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produce the goods in-house is not a proper matter for our review. Likewise, because no cost comparison need be performed by the Air Force in this situation, the requirements of FAR § 7.300 are inapplicable.

The protest is dismissed.



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General Counsel